

Fiscal Sustainability Study Action Plan

In March 2011, the City engaged Management Partners to conduct a strategic budget sustainability study and develop recommendations that will enable services to be provided within the City's projected resource capability. Their report, which was presented to the City Council on July 26, 2011, identified ways to reduce costs and increase revenue to better align annual expenditures with current revenues. In addition, the study presented 33 recommendations with suggested implementation timeframes. Staff returned to Council on October 4, 2011 with an implementation plan ("the Sustainability Study Action Plan"), which proposed 15 recommendations for implementation and 18 recommendations for further analysis. In some instances, a phased approach was recommended, or an alternative recommendation was proposed for implementation. In addition, one recommendation that required further analysis was moved into the implementation group, for a total of 16 recommendations for implementation.

The status of the 16 recommendations proposed for implementation is as follows (all recommendation numbers correspond to the numbers in the Management Partners report):

Recommendation 1: Adopt a comprehensive list of budget principles.

Status: Implemented, and included in this budget document.

Recommendation 2: Issue an RFP to outsource landscaping and park maintenance.

Status: This recommendation has been split into two phases by geography and work areas. The first phase, with a targeted implementation date of early in FY 2012/13, focuses on medians and mowing. The second phase, with a targeted implementation date of FY 2013/14, will address the remainder of Landscape Maintenance. Estimated savings from the first phase are \$500,000-700,000; estimated savings for the second phase are \$800,000-1.4 million.

Recommendation 3: Pursue incorporating street sweeping into the new waste hauling contract during the next renewal cycle.

Status: This is currently in process, with a targeted implementation date of FY 2013/14. Estimated potential savings are \$335,000.

Recommendation 6: Acknowledge cost control initiatives already implemented to date by Human Services and reduce the General Fund support by \$262,000 over the next three fiscal years while continuing to aggressively seek more grant funding from other organizations.

Status: The General Fund contribution of \$3.622 million was decreased by \$13,000 in FY 2011/12, it is being reduced by an additional \$147,000 in FY 2012/13, and it will be reduced an additional \$102,000 in FY 2013/14, for a cumulative reduction of \$262,000. In addition, the Human Services Department continues to evaluate potential redundancies with County services, as well as exploring new funding opportunities that might be used to further reduce the amount of General Fund support in the future.

Recommendation 7: Negotiate two-tier retirement plans for all labor groups. Return to the benefit levels in place prior to existing benefits.

Status: Implemented. All new employees will now be eligible for either the 3% at 55 retirement benefit formula for safety employees, or 2% at 60 for non-safety employees. Although savings will be rather modest initially, over the long term this change is estimated to result in savings of \$3.3-5.5 million.

Recommendation 16: Modify the internal service fund for fleet services to capture and allocate all fleet maintenance, operating and replacement costs.

Status: Preliminary analysis has been completed for this recommendation, but further analysis is needed to achieve budget savings, as well as to identify ways to encourage a higher degree of user department and employee responsibility for vehicle usage.

Recommendation 17: Implement the rotating 4/10 patrol schedule recommended by the Police Department's Shift Configuration Committee.

Status: This recommendation was successfully negotiated with the bargaining unit and was implemented in late January 2012. Savings of \$250,000 are estimated for FY 2011/12, increasing to \$500,000 in FY 2012/13 and beyond.

Recommendation 21: Convert selected public safety position from sworn officers to professional civilian employees.

Status: Management Partners recommended that five positions be converted from sworn to non-sworn positions. Currently, two positions have been converted, and the remaining three positions need further study. Of the positions converted, one is the new Public Safety Communications Manager, responsible for managing the Police Dispatch Center, and one is the new Animal Services Manager, responsible for Animal Control operations in the Police Department. Recruitments have been conducted for both positions and they should be filled in FY 2011/12. Savings from this change are estimated at \$90,000.

Recommendation 22: Develop an Information Technology strategic plan to guide the City's technology investments.

Status: IT staff has begun meeting with all City departments as part of the development of a comprehensive strategic plan for technology investment. Implementation of this recommendation should be complete in FY 2012/13. Potential savings still need to be quantified.

Recommendation 23: Consolidate responsibility and resources for information technology from the Police Department into the City's ITS Department.

Status: Recommendation will be implemented on July 1, 2012. Savings are estimated to be \$112,000 annually.

Recommendation 24: Allocate City cell phones on the basis of critical business necessity and offer a nominal cell phone allowance for City-related calls to employees for whom a City-provided cell phone is not essential.

Status: Recommendation has been implemented. The City's administrative regulation governing cell phones has been revised and a tiered allowance, based on level of business-related use, has been established. Staff is meeting with each individual department to review the inventory of cell phones currently deployed, assess business necessity, and make adjustments accordingly. Savings are estimated to be \$50,000 annually.

Recommendation 25: Fund eligible City programs or projects with CDBG grant dollars to the extent possible, before making funds available to outside organizations.

Status: This recommendation was implemented this year as part of the CDBG funding cycle for FY 2012/13. Two City projects were proposed, and one was recommended for funding. The two City projects submitted were a request for \$79,000 in FY 2012/13 to fund a playground retrofit at Centerville Community Park, and a request for \$117,761 in FY 2012/13 and again in FY 2013/14 to provide a full-time code enforcement officer to help eliminate blight and keep dwellings safe and in good repair. The playground retrofit request was approved, and the code enforcement officer request was denied.

Recommendation 28: Conduct a comprehensive master fee study and recommend changes to the City Council.

Status: On April 17, 2012, Council approved a contract with Capital Accounting Partners to perform this work, including benchmarking to other comparable cities. This work should be completed and brought to Council for consideration in early FY 2012/13. The budget impact of this effort will not be known until the project is complete.

Recommendation 29: Conduct an in-depth review of the Development Cost Center fees with a goal of achieving full cost recovery.

Status: This work is also being performed by Capital Accounting Partners and will occur in conjunction with the implementation of Recommendation 28, above.

Recommendation 30: Develop an implementation plan for a "pay to stay" program for the Fremont Detention Center.

Status: Implementation of this recommendation was approved by Council on March 20, 2012. Preliminary revenue projections for this program are \$100,000 annually.

Recommendation 31: Develop a comprehensive asset management program, identify market rental rates and subsidies, and sell unneeded or under-performing properties.

Status: Work is underway on this recommendation, and the project has been broken into two phases. The first phase should be complete in FY 2012/13, with the second phase complete within 12 months after that. Budget impacts cannot be quantified until the project is closer to completion.

Analysis and further study is proceeding on the remaining 17 recommendations. We will provide that information to Council when it is available.